



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

C. WARREN NEEL, Ph.D.
COMMISSIONER

**FOR IMMEDIATE RELEASE
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June Revenues

Nashville – On an accrual basis June is the eleventh month in the 2001-2002 fiscal year. Department of Revenue tax collections were \$704.7 million, a decrease of \$147,000 or –0.02% over last year.

Revenues were \$26.5 million less than the budgeted estimates, Finance and Administration Commissioner C. Warren Neel announced today. The general fund had an undercollection of \$29.6 million and the four other funds overcollected by \$3.1 million for the month.

Sales tax collections increased by 0.76% in June which is \$7.7 million less than the estimate. For the year sales tax collections have increased \$3.6 million or 0.09%. The budgeted increase was 3.07%.

Franchise and excise taxes combined were \$137 million for the month, a decrease of \$11.6 million or –7.80% for the month. Collections were \$16.7 million less than the budgeted estimate.

Gasoline taxes and motor vehicle registrations were \$4.1 million more than the budgeted estimates of \$87.9 million.

Year-to-date collections for ten months are \$390.5 million less than the budgeted estimates for all funds and \$364.5 million less than the general fund estimate.

The budgeted revenue estimates are based upon the State funding Board's consensus recommendation adopted by the first session of the 102nd General Assembly in June of last year.

<p align="center">REVENUE COLLECTIONS</p> <p align="center">JUNE, 2002, AND 11 MONTHS YEAR-TO-DATE</p>
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June Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$603,674,000	\$574,114,000	(\$29,560,000)
Highway Fund	51,897,000	54,993,000	3,096,000
Sinking Fund	19,692,000	19,609,000	(83,000)
City & County Fund	53,521,000	53,477,000	(44,000)
Earmarked Fund	2,427,000	2,532,000	105,000
Total	\$731,211,000	\$704,725,000	(\$26,486,000)

Year-To-Date Collections:

	Budgeted Accrual Estimate	Actual	Difference
General Fund	\$5,847,778,000	\$5,483,231,000	(\$364,547,000)
Highway Fund	545,196,000	544,590,000	(606,000)
Sinking Fund	216,125,000	215,102,000	(1,023,000)
City & County Fund	626,040,000	599,831,000	(26,209,000)
Earmarked Fund	28,221,000	30,058,000	1,837,000
Total	\$7,263,360,000	\$6,872,812,000	(\$390,548,000)

Table 1
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	June		Change	Percent
	2001	2002		
Franchise & Excise	\$148,633,000	\$137,046,000	-\$11,587,000	-7.80%
Income	5,524,000	2,537,000	-2,987,000	-54.07%
Inheritance & Estate	5,590,000	7,606,000	2,016,000	36.06%
Gasoline	43,373,000	54,280,000	10,907,000	25.15%
Petroleum Special	4,919,000	5,170,000	251,000	5.10%
Tobacco	7,188,000	8,051,000	863,000	12.01%
Beer	1,534,000	1,400,000	-134,000	-8.74%
Motor Vehicle Registration	18,113,000	22,081,000	3,968,000	21.91%
Motor Vehicle Title	914,000	911,000	-3,000	-0.33%
Mixed Drink	2,873,000	3,133,000	260,000	9.05%
Business	17,212,000	16,640,000	-572,000	-3.32%
Privilege	28,306,000	24,190,000	-4,116,000	-14.54%
Gross Receipts	275,000	189,000	-86,000	-31.27%
TVA - In Lieu of Tax Payments	16,130,000	16,544,000	414,000	2.57%
Alcoholic Beverage	2,663,000	2,897,000	234,000	8.79%
Sales and Use	388,520,000	391,483,000	2,963,000	0.76%
Motor Vehicle Fuel	13,007,000	10,471,000	-2,536,000	-19.50%
Severance	96,000	94,000	-2,000	-2.08%
Coin-operated Amusement	1,000	1,000	0	-
Total	\$704,872,000	\$704,725,000	(\$147,000)	-0.02%

Table 2
Tennessee Department of Revenue
Comparative Statement of Collected Revenues

Class of Tax	August - June		Change	Percent
	2000-2001	2001-2002		
Franchise & Excise	\$1,086,932,000	\$898,623,000	-\$188,309,000	-17.32%
Income	197,005,000	144,745,000	-52,260,000	-26.53%
Inheritance & Estate	79,836,000	90,522,000	10,686,000	13.38%
Gasoline	516,827,000	526,614,000	9,787,000	1.89%
Petroleum Special	56,523,000	56,267,000	-256,000	-0.45%
Tobacco	75,047,000	76,015,000	968,000	1.29%
Beer	14,515,000	14,551,000	36,000	0.25%
Motor Vehicle Registration	195,118,000	204,438,000	9,320,000	4.78%
Motor Vehicle Title	9,724,000	9,717,000	-7,000	-0.07%
Mixed Drink	31,442,000	32,811,000	1,369,000	4.35%
Business	20,846,000	20,609,000	-237,000	-1.14%
Privilege	170,668,000	189,435,000	18,767,000	11.00%
Gross Receipts	17,307,000	16,500,000	-807,000	-4.66%
TVA - In Lieu of Tax Payments	178,242,000	183,340,000	5,098,000	2.86%
Alcoholic Beverage	27,793,000	28,142,000	349,000	1.26%
Sales and Use	4,239,941,000	4,243,553,000	3,612,000	0.09%
Motor Vehicle Fuel	135,290,000	135,903,000	613,000	0.45%
Severance	1,042,000	1,015,000	-27,000	-2.59%
Coin-operated Amusement	27,000	12,000	-15,000	-55.56%
Total	\$7,054,125,000	\$6,872,812,000	(\$181,313,000)	-2.57%

Table 3
August - June Revenue Overcollections/(Undercollections)
Budgeted Estimate

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Sales Tax	\$ (112,700,000)	\$ (6,100,000)	\$ (118,800,000)
Inheritance Tax	5,300,000	0	5,300,000
TVA Payment	900,000	600,000	1,500,000
Gasoline & Motor Vehicle Registration	(900,000)	(1,600,000)	(2,500,000)
Other Taxes	<u>(31,500,000)</u>	<u>(18,900,000)</u>	<u>(50,400,000)</u>
Sub-Total	\$ (138,900,000)	\$ (26,000,000)	\$ (164,900,000)
F & E Taxes	<u>(225,600,000)</u>	<u>0</u>	<u>(225,600,000)</u>
Total	<u><u>\$ (364,500,000)</u></u>	<u><u>\$ (26,000,000)</u></u>	<u><u>\$ (390,500,000)</u></u>

June Revenue Report

(in millions)

June is the 11th month of fiscal year 2001-02 on an accrual basis.

TOTAL TAX COLLECTIONS June 2002, \$704.7

Performance versus the estimate for the month

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$731.2	-\$26.5	-3.6%

TOTAL TAX COLLECTIONS Y-T-D June 2002, \$6,872.8

Performance versus the estimate Y-T-D

<u>Estimate</u>	<u>Difference</u>	<u>Percentage</u>
\$7,263.4	-\$390.5	-5.4%